



CO-OPERATIVE FEDERATION OF VICTORIA LTD

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Mr Peter Bunworth
Chief Executive Officer
Aged Care Victoria
235A Whitehorse Road
BALWYN VICTORIA 3103

Dear Mr Bunworth,

I am writing on behalf of the Electric Co-operative Taskforce to inform your association of an initiative that could assist your members achieve savings in the purchase of electricity.

The Co-operative Federation of Victoria Ltd is the peak industry body for co-operatives in this State. Our members are co-operatives that provide services to businesses and consumers in a diverse range of industries including agriculture, energy, fishing, transport, retail, finance and community services.

A discussion paper, *Opportunities for Co-operatives in Electricity Industry Restructuring*, that was released by the Federation last year, identified that small consumers will only benefit from electricity privatisation by aggregating their purchasing power. The paper argues that organisations that act in a co-operative manner and have a member based structure are an ideal mechanism for aggregating this purchasing power.

In response to the discussion paper, the Federation and Co-operative Energy Ltd established the Electric Co-operative Taskforce to investigate the best method for co-operative like organisations to aggregate the purchasing power of their members. The Taskforce is currently undertaking a scoping study to establish the interest of co-operatives, other organisations and electricity retailers in providing aggregation benefits to members. To date, the reaction has been very positive.

We believe there is the potential for your members to benefit from this initiative. The bargaining power necessary to achieve cost savings will depend on numbers and volume and therefore it would be sensible to explore the possibilities for mutually beneficial strategic alliances with other organisations such as Aged Care Victoria.

If your association desires further information on the issue, please contact me.

Yours sincerely,

Tony Gill
Secretary